"Increasing educational opportunities for all British Columbians has been a major aim of the Knowledge Network since its inaugural program in January, 1981. Our success in achieving this aim is indicated by the widespread participation in the Network's programs and activities today. Participation by the educational institutions offering telecourses . . . by the many groups and organizations involved in bringing the Network into expanding numbers of communities . . . by the thousands of students enrolled in telecourses, and the many more thousands who watch programs for interest and enjoyment.

The rapid development of the Knowledge Network means that today in British Columbia, distance is less an impediment to learning. Utilizing modern satellite communications, the Network offers new educational opportunities to people of all ages and interests, in every corner of our province. As this report reveals, the past year has been a time of great progress for a distance educational system which will serve British Columbians far into the future.

KNOWLEDGE NETWORK

THIRD ANNUAL REPORT

June 1983

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KNOWLEDGE NETWORK

June 1983

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The Honourable Patrick L. McGeer
Minister of Universities, Science and Communications
Parliament Buildings
Victoria, B.C.

Dear Dr. McGeer

On behalf of the Board of Directors it is my honour and pleasure to present the third Annual Report of the Knowledge Network of the West Communications Authority.

Yours truly

Walter G. Hardwick.

Walter G. Hardwick
Chairman and President

The Knowledge Network is made possible by grants received from the Province of British Columbia.

KNOWLEDGE NETWORK
Third Annual Report
June 1983

Chairman and President
Walter G. Hardwick

Treasurer
John R. Fleming

Secretary
David W. Roach

Officers

Ena Brannan
EXECUTIVE DIRECTOR, FINANCE AND BUSINESS SERVICES

Kathleen Forsythe
EXECUTIVE DIRECTOR, LEARNING SYSTEMS

David W. Roach
EXECUTIVE DIRECTOR, NETWORK SERVICES

Board of Directors

Charles W. Brewster,
KAMLOOPS

Carl Daneliuk,
VICTORIA

John R. Fleming,
VICTORIA

Don M.E. Hamilton,
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VICTORIA

Ronald R. Jeffels,
RICHMOND

Arthur Kratzmann,
SOOKE

Harold J. Page,
VICTORIA

Robert W. Stewart,
SIDNEY

Mandate

The [illegible]

- To [illegible]
- To co-operate and [illegible] with the [illegible] in the delivery of [illegible] opportunities.
- To foster, stimulate and participate in the development of high quality learning [illegible]

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Chairman and President

The Knowledge Network is made possible by grants received from the Province of British Columbia

The Knowledge Network was established in 1980. Its three primary mandates are:

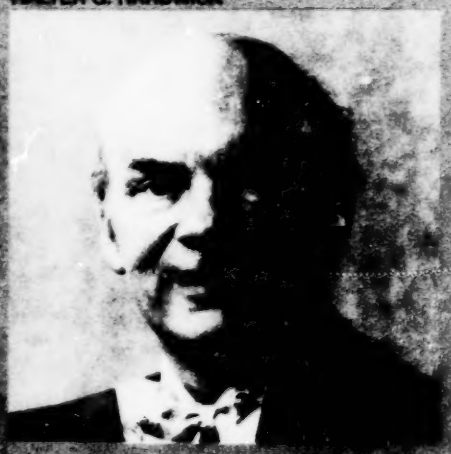
- To establish, maintain and operate a telecommunications network for the educational institutions.
- To co-operate and collaborate with the educational institutions in the delivery of educational opportunities.
- To foster, stimulate and participate in the development of high quality educational

KNOWLEDGE NETWORK

Chairman's Report

"... British Columbia has a distance learning system which is second to none in North America..."

WALTER G. HARDWICK



In less than three years of operations, the Knowledge Network has become firmly established as a vital part of British Columbia's educational and communications system. The scale of this achievement was concisely expressed by a distinguished visitor, Dr. Allan Herschfield of the National Universities Consortium, Washington, D.C. During a recent trip hosted by the Universities Council of B.C., he stated:

> "British Columbia has a distance learning system which in my opinion is second to none in North America. The Knowledge Network and Open Learning Institute are outstanding educational organizations, delivering high quality university level programs to citizens throughout the province. Moreover, the way in which these two organizations draw on available resources is most innovative and effective."

Those last words — innovative and effective — could well be used to describe many of the Knowledge Network's activities during the past year. Through the efforts of Network personnel, and in cooperation with a number of groups and organizations, we have made substantial progress on several fronts.

Public awareness has been greatly increased thanks to the creative efforts of our Public Affairs and Network Operations staff. Compelling on-air promotional messages, produced with Network facilities, have had a strong impact on viewer interest. Special promotions with the private sector, including the Canada Safeway Scholarship Plan, have attracted widespread attention among the general public.

Community participation has continued to expand at a rapid rate. The Network's public service today reaches 140 B.C. communities, as compared with 89 the previous year. This growth was achieved with the support of numerous individuals and organizations, including local community television societies, cable operators, Network officials and, of course, the Provincial Government. Grants made under the provincial Program for Educational and Entertainment Television Services provide essential financial support for small communities seeking to introduce Network coverage into their areas.

"B.C.-made" programming has increased, with implications that extend far beyond our provincial borders. A special grant from the Ministry of Universities, Science and Communications during the past year has allowed work to commence on 27 projects — all relating to the development of television-based learning systems. These projects will not only provide new educational television fare for our own viewers, but will also mean increased sales of provincially-produced courses to nations around the world. The process of building this new export industry has already begun, with B.C.-made courses now in use elsewhere in Canada and as far afield as Australia.

A NEW PHASE OF DEVELOPMENT

In the past year, installation of the closed-circuit cable system in Vancouver was completed by the Network's subsidiary Knowledge-West Communications Corporation. The initial result will be the provision of closed-circuit

television and data services for universities, teaching hospitals and other institutions. The long-term results could be far more widespread. In fact, this may be the first step in developing a closed-circuit television system which parallels our public service . . . a satellite-delivered system serving all parts of British Columbia.

This latest stage of development provides an opportune time to announce an end to my dual role as President and Chairman. While continuing in the latter capacity, I will turn over my operations responsibilities to another person in the near future.

In announcing this decision, I am pleased to note the sound financial position of our organization. The accompanying financial report demonstrates the Network's careful management of public funds, including interest earned on the hold-back associated with construction of the cable system. These funds have allowed the Network to absorb the effects of inflation without seeking supplementary grants from government. At the same time, capital assets have increased, thanks largely to our recent investment in cable equipment and new video tapes for general Network programming.

The achievements of the past year were made possible by cooperative effort from many sources. I particularly applaud the work of Network staff and Board, the contribution of participating educational institutions and the support of the Government of British Columbia. All have helped to make the Knowledge Network uniquely effective in meeting the educational needs of people in every part of our province.

Walter G. Hardwick
CHAIRMAN AND PRESIDENT

Network Services Report

The following quotation typifies the attitudes expressed in letters received daily by the Network:

"Your efforts provide the very important means to a better and more fulfilling education to so many residents of British Columbia and the Northwest Territories, scattered as they are from the Rockies to the Pacific and from the 49th parallel to the Arctic."

DAVID ROACH

Year three was a milestone for Network Services, marking the completion of a public electronic classroom in British Columbia. With this first phase of development well in hand, increased attention can be given to the next phase — the closed-circuit cable service, now ready to serve special interest audiences at a number of institutions.

A new level of maturity was reinforced by the transfer last February of the Network's program service from the experimental Anik B satellite to Canada's new Anik C-3 satellite. For the Network, the transfer was a key technological move . . . providing an assured mode of program distribution for the next five years.

The advance in satellite technology was accompanied by progress in each of the operating units of Network Services: Operations, Public Affairs, and Government and Industry Services. Each plays a vital part in building and maintaining effective communications links with all parts of British Columbia.

REFINING OPERATIONS

The technical heart of the Network is the Operations Centre on the University of British Columbia campus. Here, a major achievement of the past year was the redesign of the master control room. Designed and built by Network engineering staff, this new facility provides efficient centralized control of all programming . . . both for the public service and for the closed-circuit service.

Through the master control room, the Network can interconnect the studios of the University of British Columbia, the University of Victoria and the British Columbia Institute of Technology. Programs from these campus studios can now be fed by cable or microwave directly to the Network, thus eliminating the costly travel previously involved in obtaining material from these sources. In the coming year, other sites are expected to originate programming . . . all instantly available for transmission over the Network.

To ensure programming of consistently high quality, production and technical guidelines were developed by the Network in cooperation with universities and other agencies. Calling for more planning, support and rehearsal, the guidelines have already had a positive effect on the technical quality.

Many of these programs are produced by Operations Centre staff. Last year, in addition to keeping the Network on the air 98 hours weekly, these dedicated people were involved in 220 hours of live production on behalf of Network users.

INCREASING VIEWER AWARENESS

Informing viewers — and potential viewers — about the Network's varied program schedule is the responsibility of Public Affairs. Through a number of activities, this unit has greatly increased public awareness and participation during the past year.

A major activity was the production of more than 200 on-air promotions. Commonly called "promos," these concise, high quality productions are really commercials for the Network . . . "selling" the variety and excitement of our programs to a growing viewing audience and inviting viewers to register for telecourses through their local community college. This is just one way in which the Network cooperates with educational

institutions in promoting television-based learning opportunities.

The introduction of the *Knowledge Network News* also helped to advance public awareness. Published during each learning season, this tabloid features a complete program listing plus news of Network events. It's available free to anyone wishing to subscribe.

The Network's promotional activities have been aided by the contributions of private companies. A key participant last year was Canada Safeway, which in cooperation with the Network introduced the Canada Safeway Scholarship Plan. The Plan saw more than 200 British Columbians have fees for telecourses prepaid for the spring learning season. Highly successful, this promotion will be repeated in the fall. Other examples of private sector involvement include coverage of Network highlights on CKVU television's Vancouver Show, and the recent association with IBM, the producers of "I, Leonardo."

Largely as a result of these efforts, far more people — in more communities — now tune in to the Knowledge Network. A November, 1982, survey reported that approximately 375,000 adult British Columbians watched the Network, as compared with only 100,000 a year earlier. Enrolment in telecourses also increased, from 5,020 to 8,187 . . . while the number of B.C. communities receiving the Network's public service rose from 89 to 140.

Grants from the provincial government's Program for Educational and Entertainment Television Services (PEETS) helped many of the new communities to introduce Network service. Last year, grants totalling $500,000 were made to 15 centres with populations of 2,500 or less.

A GROWING INDUSTRY PRESENCE

The Network operates in a changing business and regulatory environment. To keep abreast of current developments, the Network through its Government and Industry Services last year attended or monitored a number of major industry events. These included the introduction of the federal government's Broadcast Strategy Paper; the release of the Hebert-Applebaum report on Canadian culture; the introduction of Pay Television; a call by the Canadian Radio, Television and Telecommunications Commission for specialty television applications; and a public hearing by the CRTC into the tiering of television services by Canadian cable companies.

The Knowledge Network has been a strong voice in the country-wide debate relating to these issues. During the CRTC hearing on tiering, the Network urged that additional cable channels be reserved specifically for educational programming. The Network also intervened in the application by Telesat Canada for CRTC ratification of its satellite usage rates . . . and was in part responsible for Telesat being required to further justify its rate structure.

During the past year, the Network continued its involvement in the Agency for Tele-education in Canada (ATEC). A member of the B.C. Association of Broadcasters, the Network also maintains contact with the Canadian Association of Broadcasters, the Canadian Cable Television Association and other industry groups, both national and international.

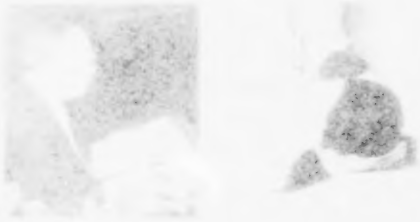
A COMMITMENT TO B.C.

Increasing competence and commitment in all areas of Network Services is a cause for satisfaction, but not complacency. The foundation established in the past three years must be developed further if the Network is to expand its role within the province-wide educational system.

Progress to date has been achieved by the efforts of a large number of groups and individuals . . . none more dedicated than the Network's own staff. Their commitment is strengthened by the response of those we serve — the people of British Columbia.

Obviously the Network is succeeding in its goal of bringing new educational opportunities to all regions of the province. With the basic technology now in place and through continued innovation we can expand these opportunities.

David Roach
EXECUTIVE DIRECTOR,
NETWORK SERVICES



Learning Systems Report

Learning Systems during the past year has recorded achievements with long-term consequences. Not only were existing systems refined, but a number of patterns for future growth were defined. The key patterns are: increasing participation . . . expanding the diversity of ideas . . . and the establishment of a cooperative organizing principle.

INCREASING PARTICIPATION

The Network's public television service was designed as a "window" into a world of learning . . . a window open to all British Columbians, including those affected by distance or other limitations. In the past year, the number of people gazing through that window has increased dramatically.

The number of students enrolled in telecourses through B.C. colleges, institutes and universities rose by over 60 percent to 8,187. Yet this is only a small fraction of the total viewing audience. With the public service now extended to 140 communities throughout the province, thousands more enjoy Network programs on an informal basis.

Growing public involvement was matched by an increase in the number of institutions sponsoring and supporting courses on the Network. This list now includes all 15 community colleges, our three universities, the B.C. Institute of Technology, the Open Learning Institute and the Pacific Vocational Institute. Government ministries and provincial associations also increased their participation — the Ministries of Transportation and Highways, Forestry, and Education now utilize the Network for in-service training programs.

At the community level, participation has been expanded by the steady growth of learning centres. Now operating in 67 locations around the province, these centres offer local residents a variety of services relating to Network courses. Organized by colleges and school districts, with the assistance of Learning Systems, the centres open the window of knowledge even further in remote areas of B.C.

Nor is the window only for "one-way" viewing. On the contrary, the Network encourages active involvement in the learning process. In many cases, during the live program, students speak by telephone, directly to their instructor. Interaction between widely separated groups is also increasing. An example is the UBC "Young Writer's Workshop," in which Richmond teachers used the Network's interactive services to share their creative writing program with teachers in eight other communities.

Despite the cooperative attitude of educators, there is still a need for specialized training in the instructional aspects of television-based learning. Working closely with the institutions, Learning Systems staff help to meet this need by developing training materials and organizing workshops. Highlights of the past year were the Kelowna Distance Education Conference and the formation of a Coordinating Committee of Educators for learning systems training.

KATHLEEN FORSYTHE

A DIVERSITY OF IDEAS

With so many institutions contributing to the program schedule, the Knowledge Network represents a great diversity of ideas . . . and a rich variety of viewing material. The Network schedules this material to meet the needs of many viewers, from the individual watching a single program to the student enrolled in a telecourse.

Programs for children comprise an important portion of the Network schedule. Special programs for pre-schoolers are offered during suitable viewing hours. For older children, the Network cooperates with the Provincial Educational Media Centre in scheduling programming related to classroom instruction.

Adult viewers can enjoy a wide variety of "general interest" programming, including documentaries in fields such as nature, science, technology and literature. They can also follow a teleseries or telecourse informally . . . or further their education by enrolling in a telecourse through their local community college. Individuals are even offered the opportunity to request their own programs through "Caller's Choice."

Programming for use on the Knowledge Network is obtained from a variety of sources, both local and international. The provincial institutions and agencies using the Network's delivery system are responsible for a growing volume of this material, including pre-taped programs and live, interactive learning systems. Last year, roughly one-sixth of the total schedule — some 550 hours of viewing time — was comprised of original, locally-produced programming.

The steady increase in "B.C.-made" programming will be aided by a recent grant from the Ministry of Universities, Science and Communications. These funds have enabled the universities and the Knowledge Network to initiate a number of projects, relating to the development of innovative learning systems. In addition to meeting provincial educational needs, these projects could lead to an important new industry . . . based on the sale of B.C. television courses to other jurisdictions.

THE ORGANIZING PRINCIPLE

The development of effective television-based learning systems for British Columbians has required the cooperation of all participating colleges, institutes and universities . . . each choosing its own level and type of involvement. Thus, the key organizing principle is *cooperative individuality*.

This principle is put into practice by Learning Systems Working Groups, comprised of:
- Colleges and Institutes
- Universities and Institutes

Within these groups, there is consultation, debate and the interchange of ideas . . . all helping to resolve the problems associated with an expanding educational network. The value of this approach is proven by the Network's success in delivering a rewarding variety of programming provided by many different institutions and agencies to an increasing number of British Columbians.

CONTINUAL GROWTH

As the past year demonstrates, the Knowledge Network represents new human and social opportunities . . . opportunities made possible by modern telecommunications. Unlike traditional educational structures, the Network is readily adaptable to changing attitudes and new conditions. It is "an open system . . . poised for reordering, capable of endless transformation."

The Network today is much more than a means of transmitting knowledge rapidly over great distances. It is a way for all those involved in education to work together in creating the future.

Kathleen Forsythe
EXECUTIVE DIRECTOR
LEARNING SYSTEMS

A DIVERSITY OF IDEAS

Knowledge Network – an Electronic Classroom

British Columbians in 140 communities are participating in the Knowledge Network's electronic classroom. One of the keys to the classroom is Canada's Anik C-3 satellite which allows the Network to beam its signal from the satellite, 22,300 miles above the equator, to western Canada. Any community within the satellite footprint used by the Knowledge Network is able to receive the Network's programs. That is why, in addition to the British Columbia communities, communities in the Yukon, Northwest Territories and Alberta are able to benefit from the learning opportunities available through the Knowledge Network.

Learning Systems Working Groups

These are the forums where institutions come together for consultation, debate and the interchange of ideas . . . all helping to resolve the problems associated with an expanding educational network.

COLLEGES & INSTITUTES

Camosun College
Phil Chiddell

Capilano College
Greg Lee
Ted Kingam

Cariboo College
Bob Ramrattan

College of New Caledonia
Rod Maides

Douglas College
Virginia Chisholm

East Kootenay College
Dale Fike

Fraser Valley College
Judy Inouye

Kwantlen College
Derek Francis
Jim Gillis

Malaspina College
John Rostrun

North Island College
Laurie Mithen

Northern Lights College
Al Westcott

Northwest Community College
Gene Kerns

Okanagan College
Bill Christensen
Dianne Hitchens

Selkirk College
Richard Hallett
Margaret Mahan

Vancouver Community College
Ross Carter
Bruce MacLean

British Columbia Institute of Technology
Brian Gillespie

Emily Carr College of Art
Ken Chamberlain

Justice Institute of British Columbia
Brian Pulham

Open Learning Institute
Dr. David Kaufman

Pacific Vocational Institute
Harold Murphy

Provincial Educational Media Centre
Gary Karlsen

Burnaby School District
Don Jacob

Quesnel School District
Peter Walsh

UNIVERSITIES & INSTITUTES

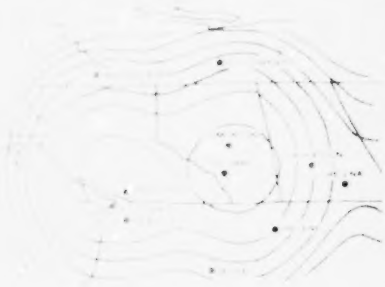
Simon Fraser University
Dr. Jack Blaney
Dr. William Leiss
June Landsburg

Alternates
Dr. Dennis Foth
Dr. Robert Jones

University of British Columbia
Dr. Robert Smith
Dr. G. Ronald Neufeld
Victor Doray
Ian T.W. Franks

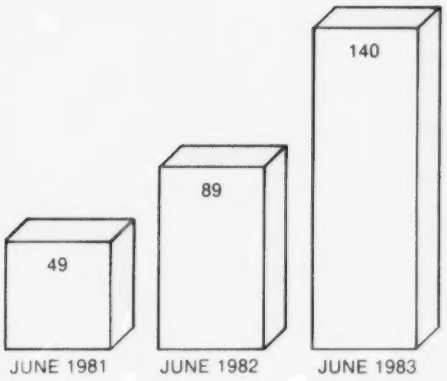
Alternates
Edgar Froese

University of Victoria
Dr. Glen Farrell
Dr. John Dewey
Arlene Zuckernick

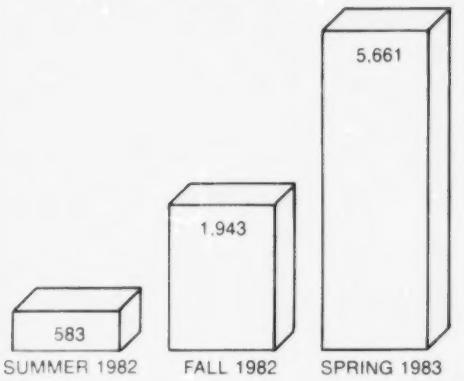


PARTICIPATION STATISTICS

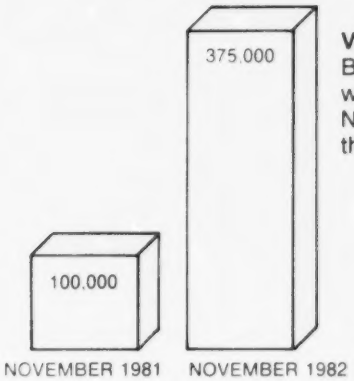
British Columbians are encouraged to participate in programs on the Knowledge Network. This participation comes at many levels: with individuals as students and viewers; with institutions, ministries and agencies as program suppliers and program supporters; and, with cable companies and community associations who have taken steps to bring the Knowledge Network to their communities. The Knowledge Network is stronger because of this participation.



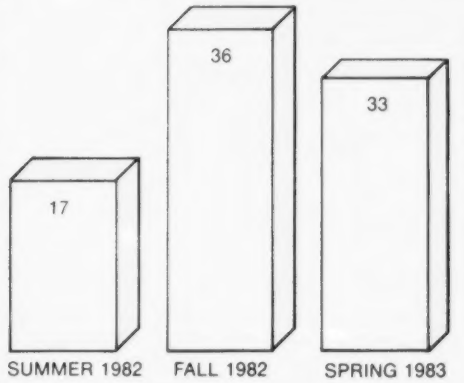
COMMUNITY PARTICIPATION
Communities in British Columbia which are able to receive and redistribute to homes, Knowledge Network programming delivered via satellite.



LEARNER PARTICIPATION
Individuals who paid fees to educational institutions or others for enrolment in courses delivered on the Knowledge Network.



VIEWER PARTICIPATION
British Columbians who each week consider the Knowledge Network to be an integral part of their television viewing.



INSTITUTIONAL PARTICIPATION
Educational institutions, government ministries and agencies who provided and supported programs on the Knowledge Network.

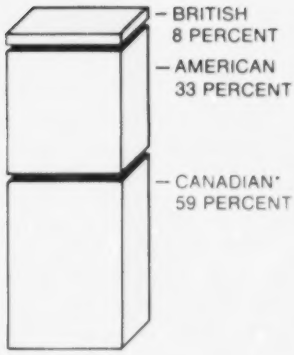
PROGRAM STATISTICS

Programs on the Knowledge Network, while rich in diversity, are high in education and information value. Nearly 60 percent of the programs are Canadian, reflecting the Network's commitment to Canadian programming, particularly that made in British Columbia.

PROGRAM ORIGINATION

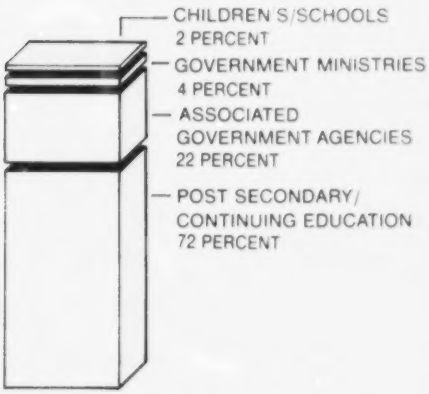
The majority of programs on the Knowledge Network are Canadian.

*Of the Canadian programming, 36 percent was British Columbia produced. Most of the B.C. programs were live, interactive, allowing student participation by telephone.



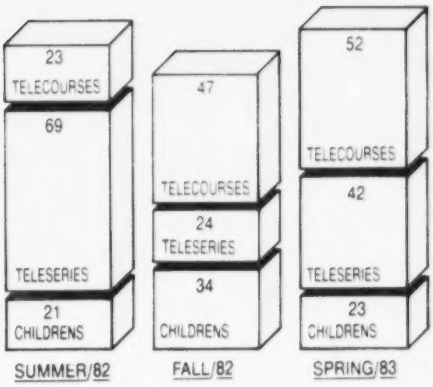
BRITISH COLUMBIA PRODUCED PROGRAMS (LEARNING SYSTEMS)

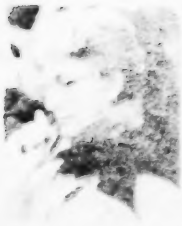
The majority of the programs produced in British Columbia for use on the Knowledge Network, originated with the universities, colleges and institutes responsible for post-secondary and continuing education.



PROGRAM CATEGORIES BY NUMBER OF TITLES

Programs on the Knowledge Network are grouped into three categories: telecourses; teleseries; and, childrens.





Finance and Business Services Report

People of all ages and backgrounds who phone . . . remind us all that the Knowledge Network is here to serve British Columbians.

ENA BRANNAN

FINANCE

The year ending March 31, 1983, was one in which world economists admitted they were without answers. The usual predictions no longer applied and a constant, almost daily finger on the economic pulse was the only course. Ordinary people had good cause to worry about their savings . . . since the solvency of corporations, banks and even governments could no longer be taken for granted.

In view of these highly unfavorable conditions, I am pleased to report that the Knowledge Network has been able to end this year with a balanced budget.

Recognizing the economic limitations facing any public organization today, the Network made careful use of the $2.9 million in grants provided by the two provincial ministries. The allocation of this funding is indicated by the accompanying diagrams.

A comparison of budget allocations for the past two years indicates the changes in priority which accompany Network development. The major new expenditure related to the recent satellite transfer — a move vital for the assured distribution of Network programs throughout British Columbia.

STAFFING AND FACILITIES

While increasing its staff from 30 to 37 in the past 12 months, the Network has continued to attract competent and dedicated people. The high calibre of personnel has been a major factor in the Network's rapid development.

The excitement generated by this growth is evident in all Network locations, from the operations centre on the University of British Columbia campus to the executive offices at the University of Victoria. From the outset, the Network has enjoyed excellent cooperation from both universities. The facilities leased at each campus have served the Network well in its first three years. However, anticipated future growth could drastically alter the Network's space requirements . . . and planning should begin now to meet mid- and long-term needs. The acquisition of new facilities is among the options which might be considered.

ADMINISTRATION AND BUSINESS SERVICES

The tools of modern business are essential to the daily operation of the Knowledge Network. Computers, word processors and memory typewriters allow the many reports and statistics to be produced with speed and efficiency. The modern technology helps our administration and financial staff to achieve a high degree of productivity.

Yet for all the efficiency of these machines, they do not overcome the need for human contact. That's why it's good to know that our switchboards in Vancouver and Victoria receive a steady stream of calls from Network viewers . . . people of all ages and backgrounds, who phone to request information, comment on programs and offer suggestions. With their very real human enthusiasm, they remind us all that the Knowledge Network is here to serve British Columbians.

Ena Brannan
EXECUTIVE DIRECTOR,
FINANCE AND BUSINESS SERVICES

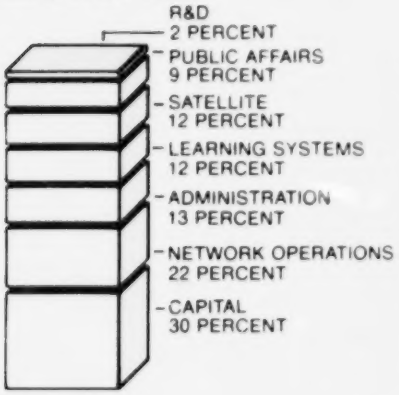
Our Sources of Revenue Were :-

Ministry of Education	$ 826.920
Ministry of Universities, Science & Communication	1.736.000
User Fees	30.550
Accumulated Interest and Other Income including Special Grants of $390.000 from the Ministry of Universities, Science & Communication	662.189
	$ 3.255.659

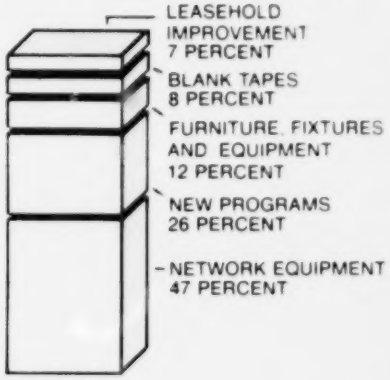
Our Expenditures Were :-

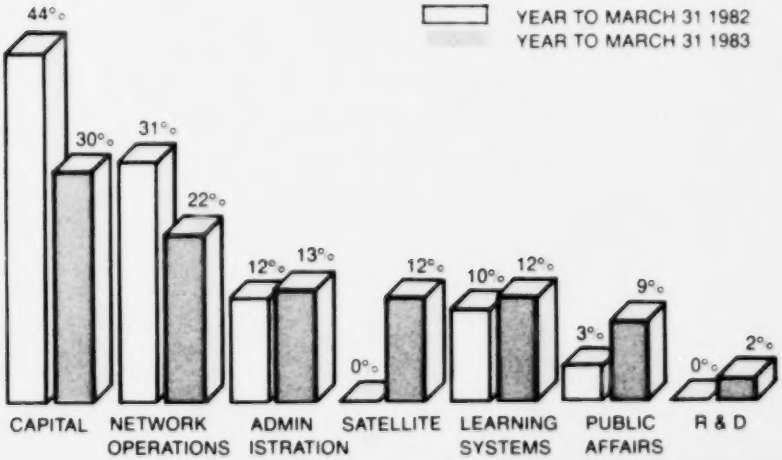
Administration, Finance & Business Services	$ 407.013
Public Affairs	292.000
Network Operations	710.254
Learning Systems	360.734
Research & Development	52.682
Satellite Charges	475.000
Capital	957.976
	$ 3.255.659

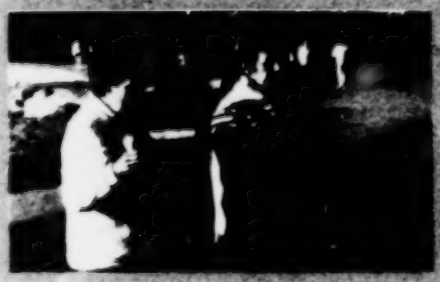
FOR YEAR ENDED MARCH 31, 1983



CAPITAL EXPENDITURE FOR YEAR ENDED MARCH 31, 1983







AUDITOR'S REPORT

To the Chairman and Members of the Board of the
Knowledge Network of the West Communications Authority, and

To the Minister of Universities, Science and Communications
Province of British Columbia:

I have examined the consolidated balance sheet of Knowledge Network of the West Communications Authority as at 31 March 1983 and the consolidated statements of revenue, expenditure and accumulated balance, and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these consolidated financial statements present fairly the financial position of the Authority as at 31 March 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
AUDITOR GENERAL

Victoria, British Columbia
31 May 1983

[redacted]

ASSETS

	1983	[redacted]
CURRENT ASSETS		
Cash and term deposits	$1,666,541	[redacted]
Accounts receivable	19,693	[redacted]
Accrued interest receivable	4,966	[redacted]
Prepaid expenses	—	[redacted]
	1,691,200	[redacted]
ADVANCE TO KNOWLEDGE-WEST PARTNERSHIP	1,787,829	[redacted]
FIXED ASSETS (Note 2)	1,298,735	[redacted]
	$4,777,764	[redacted]

LIABILITIES AND ACCUMULATED BALANCE

		[redacted]
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 142,057	[redacted]
Holdbacks payable	251,284	[redacted]
	393,341	[redacted]
ACCUMULATED EXCESS OF REVENUE OVER EXPENDITURE (Exhibit II)	4,584,223	[redacted]
	$4,977,564	[redacted]

Approved by the Board

Walter B. Henderson — DIRECTOR

J.R. Henry — DIRECTOR

The five accompanying notes are an integral part of these financial statements

To the Chairman and Members of the Board of the
Knowledge Network of the West Communications Authority, and

To the Minister of Universities, Science and Communications
Province of British Columbia

I have examined the consolidated balance sheet of Knowledge Network of the West Communications Authority as at 31 March 1983 and the consolidated statements of revenue, expenditure and accumulated balance, and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these consolidated financial statements present fairly the financial position of the Authority as at 31 March 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
AUDITOR GENERAL

Victoria, British Columbia
31 May 1983

Knowledge Network of the West Communications Authority

EXHIBIT A

CONSOLIDATED BALANCE SHEET As at 31 March 1983

ASSETS

	1982
CURRENT ASSETS	
Cash and term deposits	
Accounts receivable	
Accrued interest receivable	
Prepaid expenses	
ADVANCE TO KNOWLEDGE-WEST PARTNERSHIP	
FIXED ASSETS (Note 2)	
	$4,638,873

LIABILITIES AND ACCUMULATED BALANCE

CURRENT LIABILITIES	
Accounts payable and accrued liabilities	
Holdbacks payable	
	709,953
ACCUMULATED EXCESS OF REVENUE OVER EXPENDITURE (Exhibit B)	
	$4,638,873

Approved by the Board

Walter G. Hardwick
DIRECTOR

J. R. Fleming
DIRECTOR

The five accompanying notes are an integral part of these financial statements

Knowledge Network of the West Communications Authority

EXHIBIT B

CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED BALANCE For the year ended 31 March 1983

	1983	1982
REVENUE		
Grants— Province of British Columbia	$2,952,920	$2,387,170
Interest	294,637	537,295
User fees	30,550	20,685
	3,278,107	2,945,150
EXPENDITURE		
Administration	454,569	365,591
Deficit of partnership for the year	4	–
Learning systems	514,390	248,199
Network operations	950,573	818,573
Public Affairs	284,974	331,842
Research and development	52,669	–
Satellite	365,625	16,601
	2,622,804	1,780,806
EXCESS OF REVENUE OVER EXPENDITURE	655,303	1,164,344
ACCUMULATED BALANCE, BEGINNING OF YEAR	3,928,920	2,764,576
ACCUMULATED BALANCE, END OF YEAR	$4,584,223	$3,928,920

Knowledge Network of the West Communications Authority

EXHIBIT C

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION For the year ended 31 March 1983

	1983	1982
FUNDS DERIVED FROM:		
Excess of revenue over expenditure	$ 655,303	$1,164,344
Charges not affecting current funds		
Depreciation	409,599	227,365
Deficit of Partnership	4	–
	1,064,906	1,391,709
Working capital of subsidiary acquired and consolidated	–	1,966,000
Sale of fixed assets	–	1,397
	1,064,906	3,359,106
FUNDS APPLIED TO:		
Purchase of fixed assets	712,157	974,079
Advance to Knowledge-West Partnership	1,238,738	548,895
	1,950,895	1,522,974
INCREASE (DECREASE) IN WORKING CAPITAL	(885,989)	1,836,132
WORKING CAPITAL, BEGINNING OF YEAR	2,383,848	547,716
WORKING CAPITAL, END OF YEAR	$1,497,859	$2,383,848

Knowledge Network of the West Communications Authority

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 March 1983

NOTE 1 Significant accounting policies

a) Principles of consolidation

The accounts of the Authority are consolidated with those of its wholly-owned subsidiary Knowledge-West Communications Corporation. All inter-company transactions have been eliminated in these consolidated financial statements.

The investment by Knowledge-West Communications Corporation in a joint venture, Knowledge-West Partnership, has been accounted for in these financial statements on an equity basis.

b) Fixed assets and depreciation

The Authority records fixed assets at cost and depreciates them using the straight line method over their estimated useful life as follows:

Furniture and equipment	10% per annum
Earth stations	20% per annum
Leasehold improvements	20% per annum
Network equipment	20% per annum
Programs owned	20% per annum
Tapes	20% per annum
License agreements	Life of the respective lease

Knowledge Network of the West Communications Authority

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 March 1983

NOTE 2 Fixed assets

			1983 Net Book Value	1982 Net Book Value
Furniture and equipment	[illegible]	[illegible]	$ 105,197	$ 45,836
[illegible]	[illegible]	[illegible]	34,844	51,671
[illegible]	[illegible]	[illegible]	130,893	[illegible]
[illegible]	[illegible]	[illegible]	626,309	[illegible]
[illegible]	[illegible]	[illegible]	17,829	[illegible]
[illegible]	[illegible]	[illegible]	79,031	[illegible]
[illegible]	[illegible]	[illegible]	304,632	[illegible]
			$1,298,735	$ [illegible]

[illegible] at 31 March 1983.

Knowledge Network of the West Communications Authority

EXHIBIT B

CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED BALANCE For the year ended 31 March 1983

	1982
REVENUE	
Province of British Columbia	$2,387,170
	537,295
	20,685
	2,945,150
EXPENDITURE	
	365,591
Share of partnership for the year	–
	248,199
	818,573
	331,842
Research and development	–
	16,601
	1,780,806
EXCESS OF REVENUE OVER EXPENDITURE	1,164,344
ACCUMULATED BALANCE, BEGINNING OF YEAR	2,764,576
ACCUMULATED BALANCE, END OF YEAR	**$3,928,920**

Knowledge Network of the West Communications Authority

EXHIBIT C

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION For the year ended 31 March 1983

	1982
FUNDS DERIVED FROM	
Excess of revenue over expenditure	$1,164,344
Charges not affecting current funds	
	227,365
Deficit of Partnership	–
	1,391,709
Working capital of subsidiary acquired and consolidated	1,966,000
	1,397
	3,359,106
FUNDS APPLIED TO	
Purchase of fixed assets	974,079
Advance to Knowledge West Partnership	548,895
	1,522,974
INCREASE (DECREASE) IN WORKING CAPITAL	1,836,132
WORKING CAPITAL, BEGINNING OF YEAR	547,716
WORKING CAPITAL, END OF YEAR	**$2,383,848**

Knowledge Network of the West Communications Authority

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 March 1983

NOTE 1 **Significant accounting policies**

a) Principles of consolidation

The accounts of the Authority are consolidated with those of its wholly-owned subsidiary Knowledge-West Communications Corporation. All inter-company transactions have been eliminated in these consolidated financial statements.

The investment by Knowledge-West Communications Corporation in a joint venture, Knowledge-West Partnership, has been accounted for in these financial statements on an equity basis.

b) Fixed assets and depreciation

The Authority records fixed assets at cost and depreciates them using the straight line method over their estimated useful life as follows:

Furniture and equipment	10% per annum
Earth stations	20% per annum
Leasehold improvements	20% per annum
Network equipment	20% per annum
Programs owned	20% per annum
Tapes	20% per annum
License agreements	Life of the respective lease

Knowledge Network of the West Communications Authority

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 March 1983

NOTE 2 **Fixed assets**

	Cost	Accumulated Depreciation	1982 Net Book Value
Furniture and equipment	$ 125,486	$ 20,289	$ 45,836
Earth stations	84,130	49,286	51,671
Leasehold improvements	202,357	71,464	117,001
Network equipment	959,795	333,486	497,319
Programs owned	44,252	26,423	26,680
Tapes	112,478	33,447	43,805
License agreements	449,092	144,460	213,865
	$1,977,590	**$ 678,855**	$ 996,177

Note 3 **Commitments**

a) Commitments for the purchase of fixed assets amounted to $133,000 at 31 March 1983.

b) Commitments under a capital construction contract amounted to $175,000 at 31 March 1983 (1982 — $1,300,000).

c) Under the agreement with Telesat for satellite charges a cheque for $78,100 was sent to them in March 1983 but was dated 1 April 1983.

Note 4 **Contingent liabilities**

a) The Authority is waiting for a decision to be made by Revenue Canada as to whether it is exempt from federal sales tax in accordance with Section 44 (2) of the Excise Tax Act. In the event of the Authority being held liable to pay federal sales tax, a liability of $90,000 would arise for equipment purchased in the year ended 31 March 1983.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 March 1983

Note 4

b) A contingent liability exists for work carried out to complete a capital construction project. A contract has not yet been signed for this work. Management estimates the liability to be $180,000.

Note 5 **Comparative figures**

Certain 1982 figures have been restated in order to conform with financial statement presentation adopted in 1983.

AUDITOR'S REPORT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 March 1983

A contingent liability exists for work carried out to complete a capital construction project. A contract has not yet been signed for this work. Management estimates the liability to be $180 000.

Comparative figures

Certain 1982 figures have been restated in order to conform with financial statement presentation adopted in 1983.

To the Chairman and Members of the Board of the Knowledge Network of the West Communications Authority, and

To the Minister of Universities, Science and Communications, Province of British Columbia

I have examined the non-consolidated balance sheet of Knowledge Network of the West Communications Authority as at 31 March 1983 and the non-consolidated statements of revenue, expenditure and accumulated balance, and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these non-consolidated financial statements present fairly the financial position of the Authority as at 31 March 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles except that they are prepared on a non-consolidated basis, as explained in note 1 (a) to the financial statements, applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
AUDITOR GENERAL

Victoria, British Columbia
31 May 1983

Knowledge Network of the West Communications Authority

EXHIBIT A

NON-CONSOLIDATED BALANCE SHEET as at 31 March 1983

ASSETS

	1983	1982
CURRENT ASSETS		
Cash and term deposits	[illegible]	$ 683,044
Accounts receivable	[illegible]	40,859
Accrued interest receivable	[illegible]	18,949
Prepaid expenses	[illegible]	14,540
	[illegible]	755,392
INVESTMENT IN AND ADVANCES TO KNOWLEDGE WEST COMMUNICATIONS CORPORATION (NOTE 2)		
Shares	[illegible]	3,965
Advances	[illegible]	2,383,035
Accumulated deficit	[illegible]	(18,635)
	[illegible]	2,368,365
FIXED ASSETS — (NOTE 3)	[illegible]	996,177
	[illegible]	$4,119,934

LIABILITIES AND ACCUMULATED BALANCE

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 142,057	$ 161,058
Due to Knowledge West Communications Corporation	-	29,956
	142,057	191,014
ACCUMULATED EXCESS OF REVENUE OVER EXPENDITURE (EXHIBIT B)	[illegible]	3,928,920
	[illegible]	$4,119,934

Approved by the Board

[illegible] DIRECTOR

[illegible] DIRECTOR

The six accompanying notes are an integral part of these financial statements.

Knowledge Network of the West Communications Authority

NON-CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED BALANCE For the year ended 31 March 1983

	1983	1982
REVENUE		
Grants — Province of Wilde Columbia	$2,952,920	$2,827,378
Interest	272,189	187,288
User fees	30,550	29,855
	3,255,659	3,044,199
EXPENDITURE		
Administration	454,589	346,852
Learning systems	514,390	348,716
Network operations	916,533	818,573
Public Affairs	284,974	331,842
Research and development	52,669	-
Satellite	365,625	16,991
	2,588,780	1,702,171
EXCESS OF REVENUE OVER EXPENDITURE	666,899	1,182,879
DEFICIT OF SUBSIDIARY FOR THE YEAR	(11,596)	(16,666)
	655,303	1,166,344
ACCUMULATED BALANCE, BEGINNING OF YEAR	3,928,920	2,762,576
ACCUMULATED BALANCE, END OF YEAR	$4,584,223	$3,928,920

Knowledge Network of the West Communications Authority

EXHIBIT C

NON-CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION For the year ended 31 March 1983

	1983	1982
FUNDS PROVIDED FROM:		
Excess of revenue over expenditure	$ 655,303	$1,166,344
Charges not affecting working capital:		
Depreciation	398,253	237,355
Deferred revenue	11,596	16,666
	1,065,152	1,420,365
Share subscriptions	-	5,000
	1,065,152	1,425,365
FUNDS APPLIED TO:		
Purchase of fixed assets	80,000	1,095,938
Increase in working capital	655,425	329,427
	735,425	1,425,365
Working capital, beginning of year	329,727	-
Working capital, end of year	564,378	329,727
	$ 894,105	$ 329,727

EXHIBIT A

NON-CONSOLIDATED BALANCE SHEET as at 31 March 1983

ASSETS

	1982
	$ 583,044
	40,859
	16,949
	14,540
	755,392
	3,965
	2,383,035
	(18,635)
	2,368,365
	996,177
	$4,119,934

LIABILITIES AND ACCUMULATED BALANCE

	$ 161,058
	29,956
	191,014
	3,928,920
	$4,119,934

Walter G. Hardwick — DIRECTOR

J. R. Fleming — DIRECTOR

The accompanying notes are an integral part of these financial statements.

Knowledge Network of the West Communications Authority

EXHIBIT B

NON-CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED BALANCE For the year ended 31 March 1983

	1982
REVENUE	
Grants — Province of British Columbia	
Interest	
User fees	
EXPENDITURE	
Administration	
Learning systems	
Network operations	
Public Affairs	
Research and development	
Satellite	
EXCESS OF REVENUES OVER EXPENDITURES	
DEFICIT OF SUBSIDIARY FOR THE YEAR	
ACCUMULATED BALANCE, BEGINNING OF YEAR	
ACCUMULATED BALANCE, END OF YEAR	$3,928,920

Knowledge Network of the West Communications Authority

EXHIBIT C

NON-CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended 31 March 1983

	1982
FUNDS DERIVED FROM:	
Excess of revenue over expenditure	
Charges not affecting current funds	
Depreciation	
Deficit of subsidiary	
Sale of fixed assets	
FUNDS APPLIED TO:	
Advances to Knowledge-West Communications Corporation	
Purchase of fixed assets	
Increase in working capital	
Working capital, beginning of year	
Working capital, end of year	$ 564,378

[redacted]

[redacted]

[redacted]

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS 31 March 1993

b) The Authority is contingently liable for work carried out to complete a capital communications project entered into by its wholly owned subsidiary. A contract has not yet been signed for this work. Management estimate the liability to be $188,000.

c) The Authority is waiting for a decision to be made by Revenue Canada as to whether it is exempt from federal sales tax in accordance with Section 44 (2) of the Excise Tax Act. In the event of the Authority being held liable to pay federal sales tax, a liability of $65,000 would arise for equipment purchased in the year ended 31 March 1993.

Note 5 Commitments

a) Commitments for the purchase of fixed assets amounted to $133,000 at 31 March 1993.

b) Under the agreement with Telesat for satellite charges a cheque for $78,100 was sent to them in March 1993 but was cleared 1 April 1993.

Note 6 Comparative figures

Certain 1992 figures have been restated in order to conform with financial statement presentation adopted in 1993.

Knowledge Network of the West Communications Authority

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENT 31 March 1983

Note 1 **Significant Accounting policies**

a) Consolidation

These financial statements have been prepared for management purposes only. The Authority's investment in its wholly-owned subsidiary, Knowledge-West Communications Corporation is accounted for in these financial statements on an equity basis. Consolidated financial statements have been prepared and reported on separately.

b) Fixed assets and depreciation

The Authority records fixed assets at cost and depreciates them using the straight line method over their estimated useful life as follows:

Furniture and equipment	10% per annum
Earth stations	20% per annum
Leasehold improvements	20% per annum
Network equipment	20% per annum
Programs owned	20% per annum
Tapes	20% per annum
License agreements	Life of the respective lease

Note 2 **Investment in Knowledge-West Communications Corporation**

The Authority owns all of the issued and fully paid share of Knowledge-West Communications Corporation.

Knowledge Network of the West Communications Authority

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS 31 March 1983

Note 3 **Fixed assets**

	Cost	Accumulated Depreciation	1982 Net Book Value
Furniture and equipment	$ 125,486	$ 20,289	$ 45,836
Earth stations	84,130	49,286	51,671
Leasehold improvements	202,357	71,464	117,001
Network equipment	903,063	322,140	497,319
Programs owned	44,252	26,423	26,680
Tapes	112,478	33,447	43,805
License agreements	449,092	144,460	213,865
	$1,920,858	**$ 667,509**	**$ 996,177**

Note 4 **Contingent liability**

a) The Authority is contingently liable as at 31 March 1983 for $175,000 as guarantor for a construction contract entered into by its wholly-owned subsidiary, Knowledge-West Communications Corporation (1982 — $1,300,000).

b) The Authority is contingently liable for work carried out to complete a capital construction project entered into by its wholly owned subsidiary. A contract has not yet been signed for this work. Management estimate the liability to be $180,000.

c) The Authority is waiting for a decision to be made by Revenue Canada as to whether it is exempt from federal sales tax in accordance with Section 44 (2) of the Excise Tax Act. In the event of the Authority being held liable to pay federal sales tax, a liability of $90,000 would arise for equipment purchased in the year ended 31 March 1983.

Note 5 **Commitments**

a) Commitments for the purchase of fixed assets amounted to $133,000 at 31 March 1983.

b) Under the agreement with Telesat for satellite charges a cheque for $78,100 was sent to them on 31 March 1983 but was dated 1 April 1983.

Note 6 **Comparative figures**

Certain 1982 figures have been restated in order to conform with financial statement presentation adopted in 1983.

Knowledge-West Communications Corporation

KNOWLEDGE WEST

A subsidiary company, 100 percent owned by Knowledge Network. Formed in 1981 to act as the Network's corporate and development arm.

Chairman and President
Walter G. Hardwick

Secretary
David W. Roach

Administrator
Eva Brannan

Knowledge-West Communications Corporation, established in 1981, is a wholly-owned subsidiary of the Knowledge Network. Serving as the Network's corporate and entrepreneurial arm, Knowledge-West is enabled to participate in partnerships, joint-ventures, and other corporate activities which will further the objective of the Network.

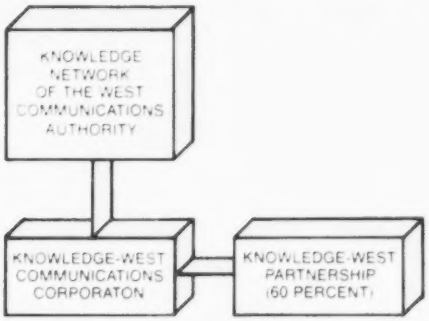
First among the Knowledge-West's initiatives was the creation, in association with Canadian Cablesystems Ltd., of the Knowledge West Partnership. Formed in 1982, the Partnership has constructed and now owns a multi-channel, closed-circuit broadband cable plant in Greater Vancouver. The cable plant, which is the backbone of the Knowledge-West's closed-circuit telecommunications services, links the five major teaching hospitals, the two Lower Mainland universities, and other selected education and government facilities. With its capacity for fully interactive audio, video and data services, the closed-circuit cable will enable staff of the connected facilities to "talk to one another", for purposes ranging from team teaching, medical diagnosis research and data exchange.

The new closed-circuit service will generate savings in both human and financial resources by substituting communications technology for transportation, as the individuals concerned will no longer be required to criss-cross Greater Vancouver to do business.

Knowledge-West is taking a leadership role in helping to generate new economic opportunities in British Columbia. It is convinced that British Columbia has a major role in developing new applications for innovative educational and communications technologies.

Knowledge-West is participating in, or examining, other opportunities ranging from the extension of closed-circuit communications services for education and medical purposes to other parts of British Columbia to the creation of a new, Canada-wide specialty television program service by the Discovery Network. These developmental projects have the potential to benefit British Columbia in many ways. They will provide new services and will generate new economic activity through the purchase of goods and services and through the creation of new employment opportunities.

Knowledge-West Communications Corporation, on behalf of British Columbia, is committed to being on the forefront of new opportunities. It believes that through these activities, a new foundation can be laid for the future of Canada's Pacific province.


KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY
KNOWLEDGE-WEST COMMUNICATIONS CORPORATON
KNOWLEDGE-WEST PARTNERSHIP (60 PERCENT)

AUDITOR'S REPORT

To the Chairman and Members of the Board of
Knowledge-West Communications Corporation, and

To the Minister of Universities, Science and Communications
Province of British Columbia:

I have examined the balance sheet of Knowledge-West Communications Corporation as at 31 March 1983 and the statements of revenue, expenditure and deficit, and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at 31 March 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
AUDITOR GENERAL

Victoria, British Columbia
31 May 1983

KNOWLEDGE
WEST

To the Chairman and Members of the Board of
Knowledge West Communications Corporation and

To the Minister of Universities, Science and Communications
Province of British Columbia

I have examined the balance sheet of Knowledge West Communications Corporation as at 31 March 1983 and the statements of revenue, expenditure and deficit and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at 31 March 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
AUDITOR GENERAL

Victoria, British Columbia
31 May 1983

Knowledge-West Communications Corporation

BALANCE SHEET As at [illegible]

EXHIBIT A

		1983	[illegible]
CURRENT ASSETS			
Cash and time deposits		$ 853,995	
Interest receivable		1,043	
Due from (Schedule A)			
West Communications Authority		—	
		855,038	
ADVANCE TO KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY (note 3)		1,787,629	
FIXED ASSETS (Note 2)		45,386	
		$2,688,053	
LIABILITIES AND SHAREHOLDER EQUITY			
CURRENT LIABILITIES			
Accounts payable		$ —	
Holdbacks payable		251,284	
		251,284	
ADVANCE FROM KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY		2,463,035	
		2,714,319	
SHAREHOLDER EQUITY			
CAPITAL			
AUTHORIZED			
Class A — 1000 voting shares, par value $1			
Class B — 1000 voting shares, par value $1			
Class C — 4,000,000 non-voting shares without par value			
ISSUED AND FULLY PAID			
Class A — 1000 shares	$1,000		
Class B — 1000 shares	1,000		
Class C — 1,965,000 shares	1,965	3,965	
DEFICIT (EXHIBIT B)		(30,231)	
		(26,266)	
		$2,688,053	

Approved by the Board

Director

Director

The five accompanying notes are an integral part of these financial statements.

[redacted]

STATEMENT OF [redacted] EXPENDITURE AND DEFICIT

For the year ended 31 March 1983

	1983	[redacted]
REVENUE		
Interest	$193,641	[redacted]
	193,641	[redacted]
EXPENDITURE		
Depreciation	11,346	—
Interest paid to parent	171,193	[redacted]
Legal	356	[redacted]
Miscellaneous	22,339	[redacted]
	205,233	[redacted]
EXCESS OF EXPENDITURE OVER REVENUE	11,592	[redacted]
SHARE OF PARTNERSHIP DEFICIT FOR THE YEAR	4	—
DEFICIT, BEGINNING OF YEAR	11,596	[redacted]
DEFICIT, END OF YEAR	18,835	—
	$ 30,431	[redacted]

[redacted]

STATEMENT OF [redacted] FINANCIAL POSITION for the year ended 31 March 1983

	1983	[redacted]
FUNDS SERVED FROM		
Operations		
Decrease in [redacted]	$ 11,346	
Share of Partnership [redacted]	4	
[redacted]	—	[redacted]
[redacted]	80,000	[redacted]
	91,350	[redacted]
[redacted]		
[redacted]	11,586	[redacted]
[redacted]	56,732	[redacted]
[redacted]	1,238,736	[redacted]
	1,307,066	[redacted]
[redacted]	(1,215,716)	[redacted]
[redacted]	1,819,470	[redacted]
[redacted]	$ 603,754	[redacted]

Knowledge West Communications Corporation

EXHIBIT A

BALANCE SHEET As at 31 March 1983

		1982 (Note 5)
ASSETS		
CURRENT ASSETS		
Cash and term deposits		$2,321,537
Accounts receivable		16,872
Due from Knowledge Network of the West Communications Authority		29,956
		2,368,365
INVESTMENT IN KNOWLEDGE WEST PARTNERSHIP (Note 1)		548,895
FIXED ASSETS (Note 2)		—
		$2,917,260
LIABILITIES AND SHAREHOLDER EQUITY		
CURRENT LIABILITIES		
Bank advance		$ 466,561
Accounts payable		82,334
		548,895
BALANCE FROM KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY		2,383,035
		2,931,930
SHAREHOLDER EQUITY		
CAPITAL		
AUTHORIZED		
Class A — 1000 voting shares, par value $1		
Class B — 1000 voting shares, par value $1		
Class C — 4,000,000 non-voting shares without par value		
ISSUED AND FULLY PAID		
Class A — 1000 shares	$1,000	
Class B — 1000 shares	1,000	
Class C — 1,965,000 shares	1,965	3,965
DEFICIT (EXHIBIT B)		(18,635)
		(14,670)
		$2,917,260

Walter G. Hardwick DIRECTOR

J. R. Fleming DIRECTOR

The accompanying notes are an integral part of these financial statements.

Knowledge-West Communications Corporation

STATEMENT OF REVENUE, EXPENDITURE AND DEFICIT

For the year ended 31 March 1983

	1982
REVENUE	
Interest	
EXPENDITURE	
Depreciation	
Interest paid to parent	
Legal	
Miscellaneous	
EXCESS OF EXPENDITURE OVER REVENUE	
SHARE OF PARTNERSHIP DEFICIT FOR THE YEAR	
DEFICIT, BEGINNING OF YEAR	
DEFICIT, END OF YEAR	$ 18,635

EXHIBIT B

Knowledge-West Communications Corporation

STATEMENT OF CHANGES IN FINANCIAL POSITION For the year ended 31 March 1983

	1982
FUNDS DERIVED FROM:	
Charges not affecting current funds:	
Depreciation	
Share of Partnership deficit	
Issuance of common shares	$ 3,965
Advance from Knowledge Network of the West Communications Authority	2,383,035
	2,387,000
FUNDS APPLIED TO:	
Excess of expenditure over revenue	18,635
Purchase of fixed assets	549,895
Advance to Knowledge-West Partnership	287,530
INCREASE (DECREASE) IN WORKING CAPITAL	1,819,470
WORKING CAPITAL, BEGINNING OF PERIOD	
WORKING CAPITAL, END OF PERIOD	$1,819,470

EXHIBIT C

Knowledge-West Communications Corporation

NOTES TO THE FINANCIAL STATEMENTS 31 March 1983

Note 1 Advance to Knowledge-West Partnership

Knowledge-West Communications Corporation has entered into a joint venture with Premier Communications Limited to construct an educational telecommunications network. The Corporation contributes 60% of the cable plant costs and 100% of the equipment costs.

The investment in the joint venture has been accounted for in these financial statements on an equity basis.

Note 2 Fixed assets

	Cost	Accumulated Depreciation	1983 Net Book Value	1982 Net Book Value
Network Equipment	$56,732	$11,346	$45,386	—

Knowledge-West Communications Corporation records fixed assets at cost and depreciates them using the straight line method over their estimated useful life — Network Equipment 20% per annum.

Note 3 Commitments

Commitments under a capital construction contract amounted to $175,000 at 31 March 1983 (1982 — $1,300,000).

Note 4 Contingent Liability

A contingent liability exists for work carried out to complete a capital construction project. A contract has not yet been signed for this work. Management estimates the liability to be $180,000.

Note 5 Comparative figures

Comparative figures are for the period 2 March 1981 to 31 March 1982.

[redacted]

[redacted]

[redacted]

NOTES TO THE FINANCIAL STATEMENTS 31 March 1983

Advance to Knowledge West Partnership

Knowledge West Communications Corporation has entered into a joint venture with Premier Communications Limited to construct an educational telecommunications network. The Corporation contributes 80% of the cable plant costs and 100% of the equipment costs.

The Corporation's interest in the joint venture has been accounted for in these financial statements on an equity basis.

Fixed assets

	Cost	Accumulated Depreciation	1982 Net Book Value
Network Equipment	$56,732	$11,346	—

Knowledge West Communications Corporation records fixed assets at cost and depreciates them on a straight line basis over their estimated useful life — Network Equipment 20% per annum.

Commitments

The commitment under a capital construction contract amounted to $175,000 at 31 March 1983 (1982 — $nil).

Contingent Liability

A contingent liability exists in respect of work carried out to complete a capital construction project. A contract was let on behalf of the Authority for this work. Management estimates the liability to be $180,000.

Comparative figures

Comparative figures are for the period 2 March 1981 to 31 March 1982.

CORPORATE INFORMATION

Executive Office

Box 3200
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Telex: 049-7491

Operations Centre

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Vancouver, B.C.
V6T 1W5
(604) 224-6511
Telex: 045-4226

Bankers

Bank of Montreal

Auditor

Auditor General for British Columbia

KNOWLEDGE NETWORK

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

POOR

QUALITY

ORIGINAL